

g Cable - 27 august 1972



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FOR THE PRESIDENT ONLY

Sunday Cable

pos 27 aug

SOUTH VIETNAM

Government regular in Quang Nam Province are preparing to link up with the ranger and armored units that recaptured the Que Son district capital on Friday. Communist resistance to the government's campaign has been limited for the most part to artillery fire.

Communists have moved large amounts of food and ammunition, as well as tanks into northern Quang Tin Province, about ten miles southwest of Que Son. These moves suggest that the Communists are preparing for heavier fighting.

Farther north, enemy shellings against government forces in and around Quang Tri City have again subsided, but ground action remains sharp near the citadel. Intercepts show that Communist units north of the city have received fresh replacements and additional supplies. Other intercepted messages indicate that about 7,200 sick and wounded North Vietnamese were moved north during June and XXXXX and July, sorely taxing medical treatment facilities in both North Vietnam and Laos.

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LAOS

Vang Pao's offensive to recapture the Plaine des Jarres is encountering its first determined Communist resistance.

North Vietnamese forces shelled and attacked several irregular positions west and south of the Plaine on 25 August.

Most of the irregulars beat back their attackers, but one task force was forced to abandon its position on a hill southeast of the Plaine.

Elements of a],200-man irregular force have been airlifted into positions near Phou Keng, north of the Plaine, to reinforce three battalions that have been stalled since they were deployed there five days ago. Vang Pao believes that the combined force can now advance toward the Plaine.

The government's 1Drday, old offensive has made

little progress despite the fact that the Communists

offered little resistance until two days ago. Several

days of bad weather hampered tactical air support and

resupply flights. Only the task force moving south from

Bouam Long toward Communist supply lines east of the

Plaine has advanced very far in recent days. Intercepts

indicate that elements of a North Vietnamese regiment

are preparing to strike these irregulars.

JAPAN

The Japanese economy is emerging from its longest post-war slump, and the growth rate, already accelerating, probably will reach ten percent by the end of the year. The economic recovery will not reduce Japan's trade surplus this year, which is continuing to increase and is expected to reach some \$8.7 billion compared with \$7.8 billion in 1971. The surplus with the US is increasing at an even faster rate, partly because the Japanese are developing non-US supply sources to meet their growing needs for such major commodities as coas.

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